

HB 3261 A STAFF MEASURE SUMMARY**Carrier:** Rep. Marsh**House Committee On Housing****Action Date:** 03/18/21**Action:** Do pass with amendments. (Printed A-Eng.)**Vote:** 5-2-1-0**Yeas:** 5 - Campos, Fahey, Marsh, Meek, Neron**Nays:** 2 - Morgan, Weber**Exc:** 1 - Zika**Fiscal:** Has minimal fiscal impact**Revenue:** Has minimal revenue impact**Prepared By:** Claire Adamsick, LPRO Analyst**Meeting Dates:** 3/9, 3/18**WHAT THE MEASURE DOES:**

Requires local governments to allow, without condition other than as provided by this Act, the conversion of a property from use as a hotel or motel to use as an emergency shelter or affordable housing, including a hotel or motel that was first converted to an emergency shelter. Requires that eligible projects be located on land within an urban growth boundary that is not designated for heavy industrial use, and is located in an area that provides adequate transportation access to commercial and medical services, and is not designated as a natural disaster or hazard mitigation area unless the converted use complies with regulations directly related to disasters or hazards. Allows a local government to require that a conversion project comply with locally adopted siting or design standards, as long as the standards do not prohibit a conversion through unreasonable costs or delay. Clarifies that the provisions of this Act apply to property conversions or applications for conversion on or after January 1, 2021. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

- Project Turnkey supports hotels and motels to be converted into emergency, noncongregate shelter or transitional or long-term affordable housing
- Location of motels and hotels in commercial or employment zones which often prohibit or restrict residential uses
- Streamlining land use process for local governments in converting hotels and motels to shelters

EFFECT OF AMENDMENT:

Clarifies that properties eligible for conversion must be located in an area that provides adequate transportation access to commercial and medical services, and is not designated as a natural disaster or hazard mitigation area unless the converted use complies with regulations directly related to disasters or hazards. Allows a local government to require that a conversion project comply with locally adopted siting or design standards, as long as the standards do not prohibit a conversion through unreasonable costs or delay. Allows a local government to consider a property conversion notwithstanding potential impacts to an existing or planned transportation facility.

BACKGROUND:

Oregon's rate of homeless individuals who are unsheltered is one of the highest in the United States. A 2019 Urban Institute report found that 24 percent (10,142 individuals) of homeless individuals were unsheltered in Oregon. The health and economic impacts of the COVID-19 crisis, as well as individuals and families displaced by the September 2020 wildfires, have underscored the need for safe shelter to meet the health and safety needs of a growing homeless population.

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In October and November 2020, the Emergency Board allocated a total of \$65 million for Project Turnkey, for the purpose of acquiring underutilized motels and hotels throughout the state to provide short-term, noncongregate shelter for people experiencing homelessness or at risk of homelessness. From these funds, the state allocated \$30 million in grants to be awarded to counties and tribal communities impacted by the 2020 wildfires, and \$35 million in grants for the remaining 28 counties in the state.

House Bill 3261 A requires local governments to allow motel and hotel properties to be converted to emergency shelters and later to affordable housing without condition other than as provided by this Act. Projects must be located inside an urban growth boundary, and on land that is not designated for heavy industrial use. Local governments may require that conversion projects comply with applicable building codes, occupancy limits, design or siting, or natural resource mitigation standards.